

Testimony Ties Top Nixon Aide To Secret Fund

By Carl Bernstein
and Bob Woodward
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H. R. Haldeman, President Nixon's White House chief of staff, was one of five high-ranking presidential associates authorized to approve payments from a secret Nixon campaign cash fund, according to federal investigators and accounts of sworn testimony before the Watergate grand jury.

The secret fund, which at times totaled \$700,000, was uncovered during the FBI's Watergate bugging investigation. It financed an apparently unprecedented spying and sabotage campaign against Democratic presidential candidates that was conceived by high Nixon aides, according to federal investigators.

Haldeman, 47, is generally considered the man closest to President Nixon in the White House and the primary architect of his re-election campaign. He began his political association with the President in 1956, as an advance man for Mr. Nixon's vice presidential campaign.

Informed yesterday of the information obtained by The Washington Post, Haldeman issued the following statement through the White House press office:

"Your inquiry is based on misinformation because the reference to Bob Haldeman is untrue."

Haldeman and Gerald L. Warren, the deputy White House press secretary, refused to elaborate on the statement.

According to the sworn testimony, others authorized to approve payments from the fund, all of them among President Nixon's closest confidantes and all named in previous reports by The Washington Post, are:

Former Attorney General John N. Mitchell, who resigned as Mr. Nixon's campaign manager July 1; former Secretary of Commerce Maurice C. Stans, the finance chairman of the Nixon re-election campaign; Jeb Stuart Magruder, a former White House assistant to Haldeman and now deputy director of Mr.



H. R. (Bob) HALDEMAN
... Nixon's most trusted aide

Nixon's re-election campaign, and Herbert W. Kalmbach, the President's personal lawyer who, until April 7, served as associate finance chairman of the Nixon campaign.

The Post has been told that all five were named in testimony to the grand jury by Hugh W. Sloan Jr., the former treasurer of the Nixon campaign. Sources close to the investigation said they had confirmed independently of Sloan that the five men had control of the fund.

It was learned that all five men have been questioned by the FBI about disbursements from the fund, which was kept in a safe in Stans' office.

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Among the persons who received payments from the secret fund, Sloan is known to have told the grand jury, was G. Gordon Liddy, one of the seven men indicted on charges of conspiring to eavesdrop on the Democrats' headquarters inside the Watergate.

Liddy, an ex-White House aide and former finance counsel of the Nixon reelection committee, withdrew \$50,000, according to investigators.

In addition, investigators have said the fund was used to pay for the activities of Donald H. Segretti, identified by federal officials as an agent provocateur, allegedly hired by White House

aides to disrupt and damage the campaigns of Democratic presidential candidates.

Expenditures of hundreds of thousands of dollars—all approved by either Halde- man, Stans, Mitchell, Magruder or Kalmbach—were made from the secret fund to pay for an extensive undercover campaign aimed at discrediting individual Democratic candidates, according to federal investigators.

The only record of the secret fund was a single sheet of lined yellow ledger paper listing the names of about 15 people who withdrew money from it, alongside a running total of their withdrawals, The Post learned.

That list was destroyed by a Nixon campaign official

after five men were arrested inside the Democrat's Watergate headquarters here on June 17.

When the question of the fund was first raised, a Nixon campaign spokesman said that "there have been and are cash funds in this committee used for various legitimate purposes such as reimbursements for expenditures for advances on travel."

"However," the same spokesman said in mid-September, "no one employed by this committee at this time has used any funds (for purposes) that were illegal or improper."

One Nixon committee official said the secret fund was in part used for legal entertainment and travel ex-

penses that might prove embarrassing if made public.

An example he gave was the paying for lunch and entertainment of possible contributors who would want such an association kept private.

In one of the few official comments on the secret fund, the President's campaign manager, Clark MacGregor told a group of reporters on Aug. 17 that Liddy, the former committee finance counsel, spent campaign money on his own initiative.

"Some funds," MacGregor said, "were used on the initiative of Liddy for the purpose of determining what to do if the crazies made an attack on the President (at the Republican Convention)

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... Liddy decided to spend money to determine what the crazies planned."

The public disclosures about the secret fund have been:

On Aug. 26, the General Accounting Office, the investigative arm of Congress, cited the existence of a fund of \$350,000 in cash as a possible violation of a new campaign finance disclosure law. The GAO said the fund was kept in Stans' safe.

Five checks from the fund totaling \$114,000 were deposited April 20 in the Miami bank account of one of the Watergate bugging defendants, apparently to "launder" the money so that its source could not be determined.

On Sept. 12, a confidential

report by the House Banking and Currency Committee staff said that Stans personally approved a possibly illegal transfer through Mexico of \$100,000 of campaign money that then went to the secret fund.

On Sept. 17, two days after the Watergate bugging indictments, the first disclosures of who allegedly controlled the fund were made. It was repeated then that principal associates of former campaign manager John Mitchell controlled it, but their names were not immediately made public.

The next day it was reported that Nixon deputy campaign director Magruder and Herbert L. Porter, the campaign scheduling director, each had withdrawn

more than \$50,000 from the fund. Magruder denied the allegation. He acknowledged that federal investigators questioned him about it.

On Sept. 29, it was reported that Mitchell, Stans and Magruder were three of the five individuals who were authorized to approve expenditures from the fund. Federal sources said that Mitchell controlled disbursements from the fund for nearly one year while he was attorney general and only later did the other four begin authorizing expenditures. Mitchell and Stans have denied having any knowledge of disbursements from the fund.

On Oct. 16, Kalmbach was named as the fourth person with power to authorize disbursements from the fund. Time magazine later reported that Kalmbach paid \$35,000 to Segretti, the California attorney who allegedly was a primary Nixon committee agent in the spying-sabotage campaign.

According to numerous sources, some specific acts of political spying and sabotage include:

- Fabrication by a White

"Senator Jackson of Everett, Wash., was involved with a 17-year-old girl named Joanne—when he was a senior at Everett High School. The result was an illegitimate daughter named Mary Ann—born Feb. 7, 1929. . . . Senator Hubert Humphrey has similar skeletons in his closet. He was driving in Washington, D.C. on Dec. 3, 1967, after hitting two parked cars and a mail box. In his car at that time was a known call girl named Mary Virginia— . . . "Thousands of copies of the letters were distributed, possibly hurting Muskie, Jackson and Humphrey.

- Plans to develop a computerized intelligence bank in early 1971 on various Republicans and Democrats that could be used to "lean on" people for political and financial support.

- Payment of about \$2,000 to Charles Szihlik, an Indiana deputy state GOP chairman, to obtain schedules, campaign stationery and dossiers on the state Democratic convention delegates including information on bank loans and sexual activities.

House aide during the New Hampshire presidential primary election of the so-called "Canuck" letter that maintained that Sen. Edmund S. Muskie condoned a racial slur on French-Canadians. The letter played a part in Muskie's politically damaging "crying speech" before the office of the Manchester Union-Leader, a newspaper opposed to Muskie's candidacy.

- Infiltration of the Democratic presidential campaign organizations by alleged California agent Segretti who recommended the use of such tactics as planting stink bombs, disrupting campaign schedules, and forging press releases.

- Forging of a campaign letter during the Florida primary under Sen. Muskie's letterhead, claiming that his opponents were guilty of sexual misconduct. The letter, determined to be "obviously false" by the U.S. attorney there, said in part:

Nixon Calif. Financier Reveals Gift

LOS ANGELES, Oct. 24 (AP)—President Nixon's California campaign finance chairman says he made his own "sizable" contribution, before April 7—the last day political donations could be made anonymously under the new law.

Leopard K. Firestone, retired head of Firestone Rubber Co. of California, said in an interview: "I did not list it and I'm not going to list it for a couple of reasons.

"One is, I gave a sizable amount of money that some people might consider too much money to give in political campaign."

Agnew Not Stalling Legislative Duty, Aides Say

By Spencer Rich
Washington Post Staff Writer

Denying rumors of a slowdown, an aide to Vice President Spiro T. Agnew said yesterday that the Vice President will complete congressional paperwork today on the \$5.4 billion welfare bill and four other major bills, sending them to the White House in time to be signed or vetoed before election day.

There had been reports that Agnew, out of town campaigning, wouldn't return to put his formal signature on the five bills until later this week, thereby permitting President Nixon to avoid the possible political embarrassment of having to announce a veto before election day of one or another popular measure.

By delaying putting his own signature on the measures (House Speaker Carl Albert (D-Okla.) has already signed them), Agnew could stall until after election day the 10-day deadline for Mr. Nixon to sign or pocket-veto the bills.

An Agnew aide called the rumors of an Agnew stall "hogwash" and said the Vice President is expected to sign the bills today, so they'll "be on the President's desk some time" today.

In that case, the 10-day sign-or-veto period will run out late in the evening of Nov. 6, the day before election. The President's decision would thus be known by the morning of election day.

Of the five bills, the most politically damaging to veto

would be the \$5.4 billion Social Security and welfare bill, which contains big cash benefits for 3.8 million widows and future benefits for 6 million aged and disabled low-income welfare adults and for 1.7 million disabled persons on Social Security pensions.

Statements from presidential aides have hinted, but never stated outright, that a veto of this bill is at least a possibility, in order to hold down spending. The President's intentions, however, are unknown so far.

Yesterday, Senate Finance Committee Chairman Russell B. Long (D-La.) called upon Mr. Nixon to sign the bill.

In a statement from Baton Rouge, Long said that far from increasing the govern-

ment's deficit during fiscal 1973, the bill, by raising Social Security taxes and permitting reductions of charity medical benefits for the indigent, "will raise \$1 billion in revenue above its cost during the current fiscal year." So, he said, a veto on economy grounds wouldn't be justified.

The other four bills which Agnew is expected to engross are the \$30.5 billion labor, health and education appropriation; the "continuing resolution" allowing government spending to continue, at about last year's levels, for foreign aid and other programs whose regular funding bills weren't completed; the noise-pollution-control measure, and the bill to rebuild portions of Pennsylvania Ave.

Haldeman Wields Vast Power

10/25/72
By Peter Osnos
Washington Post Staff Writer

Harry Robbins (Bob) Haldeman, the abrupt Californian who marks his 47th birthday this week, is President Nixon's closest and most trusted personal aide.

Less visible to the public than Henry Kissinger, the President's globe-trotting foreign policy adviser, or John Ehrlichman, the domestic policy chief, Haldeman is rated on a par with both in most versions of the official White House pecking order.

The crew-cut one-time vice president of the J. Walter Thomson Advertising Agency is the White House chief of staff: the man who decides whom the resident will see, for how long and on what subjects.

He also controls most of what the President reads: policy and planning papers as far afield as the intricacies of revenue sharing and the future of the Middle East. If Haldeman disapproves, White House regulars say, papers get sent back for more work.

Around the White House, Haldeman is known for his tough, unsmiling bluntness and his willingness to put in very long hours to keep things running smoothly—efficiency being one of the standards by which he is said to judge himself and others.

The other standard by which the staff is to be judged, in Haldeman's view, is loyalty to Richard Nixon.

In his book "Catch the Falling Flag," former speechwriter Richard Whalen quotes Haldeman as

saying: "Every President needs a S.O.B. — and I'm Nixon's"

Haldeman describes himself as "right of center" but little is known about his political philosophy and he rarely discusses it. When he does speak out, his remarks can be as hard-nosed as his manner.

"Most of what is accomplished is done by a few achievers rather than the general population," he said in an interview with this newspaper in January, 1970. "I want to make sure we don't enforce a common level of mediocrity by putting through programs that tend to lower everybody to a standard which can be attained by the majority."

Last February, Haldeman caused a brief flap when he told a reporter on the NBC "Today" show that the Democratic critics of President Nixon's policy were guilty of "consciously aiding and abetting the enemy."

It was reported at the time that Haldeman had made the decision to go public without consulting anyone. More revealing perhaps, it was said that if Haldeman were to be scolded for accusing leading Democrats of treason, the only person with sufficient authority to do it was Mr. Nixon himself.

H.R. Haldeman was born in Los Angeles on Oct. 27, 1926. His grandfather had moved to California from Indiana shortly after the turn of the century where he founded a pipe and building supply company. Later, the elder Haldeman was an organizer of the Better America Federation, one of

the earliest anti-Communist groups.

Young Bob Haldeman studied at the University of Southern California (where he befriended Ehrlichman) and graduated from UCLA with a degree in business administration. He joined the Los Angeles office of J. Walter Thompson (his clients came to include Walt Disney, 7-Up and Black Flag Insect Spray) and became involved in GOP politics.

His interest in politics soon brought him in touch with another Californian: Richard M. Nixon.

In 1958, Haldeman was an advance man for Vice President Nixon and was elevated in the 1960 presidential race to chief advance man. In Mr. Nixon's unsuccessful try for governor of California in 1962, Haldeman was campaign manager.

Then he was a strategist for Robert Finch in the 1966 race for lieutenant governor and was appointed by Ronald Reagan to be a regent of the University of California and chairman of the board of trustees of the California Institute of Arts.

In 1968, Haldeman was late in joining the Nixon campaign team, apparently finding it hard to leave his job as head of J. Walter Thompson's important Los Angeles office.

He did sign on in May and despite his lateness in joining the drive was given the title of Mr. Nixon's personal chief of staff.

In an official GOP biography of that period, he was described as "the coordinator of a travelling staff which has been hailed as the

smoothest working team to travel in a campaign. He has been with Richard Nixon almost constantly and has carried out a key strategic role."

After the election, Haldeman undertook the planning of the White House staff. His involvement in technical details frequently led to an underestimation of his real clout.

"Early in the administration," Washington Post reporter Don Oberdorfer wrote in January, 1970, "Haldeman was generally described as the gatekeeper for people and papers on their way to the oval office. This seriously understates Haldeman's role."

"It was easy enough for other staffers to err in minimizing Haldeman's stature and importance," columnists Rowland Evans and Robert Novak wrote in their recent book "Nixon in the White House."

"He seemed to be playing the role of flunky, carrying in a cup of coffee for the President . . . He and his young assistants, short-haired and bright faced in Haldeman's image, brought to Washington by him from J. Walter Thompson's, rushed about with such Boy Scout enthusiasm and determination that they were given the lasting designation of the Beaver Patrol by more sophisticated colleagues."

The key to Haldeman's power, the pundits came to agree, was not his influence over policy—that remained relatively small—but his position tight by the President's side.